

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

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In the Matter of

IGT

(Waiver of NGC Reg. 5.115(1), (4) and (5)(d) and Related Conditions)

ORDER

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on November 4, 1998 and before the Nevada Gaming Commission ("Commission") on November 19, 1998, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT IGT has filed an application, as amended and supplemented, for a waiver of NGC Regulations 5.115(1), (4) and (5)(d), pursuant to NGC Regulation 5.115(11).

2. THAT IGT is granted a waiver of NGC Regulations 5.115(1), (4) and (5)(d), pursuant to NGC Regulation 5.115(11), but such waiver is limited to expire at midnight of the regular February 1999 Commission meeting and is conditioned as follows:

a. IGT shall disclose the total winnings awarded to a patron as a result of any licensed game, including its wide area progressive jackpot systems, that provides for a series of payments of at least ten (10) years, upon validation of a win.

- (i) IGT shall disclose to the patron that pursuant to Tax and Trade Relief Act of 1998 the patron is entitled to elect within a sixty (60) day period (a) a single cash payment discounted to present value or (b) equal installment payments over a set period of time.
- (ii) If the patron elects to receive a single cash payment, IGT shall disclose the methodology used to compute the single cash payment, including the discount rate that is used to calculate the present value of the total winnings (meter reader board) to which the patron is entitled.
- (iii) IGT shall disclose to the patron that the patron is under no obligation to accept any offer of a single cash payment and may continue to receive the payments to which the patron is entitled under the terms of the licensed game.
- (iv) For purposes of the interim period covered in this Order, present value for a single cash payment shall be calculated as follows: IGT shall calculate the interest rate of the U.S. Government Treasury Security Strip ("U.S. Treasury Strip") and that of the annuity and average the interest rate ("blended rate"). The blended rate shall be used to calculate the discounted rate used to determine the present value of the total winnings. The date to set the blended rate shall be the day the patron wins the jackpot, not the date of election of the method of payment.
- (v) For purposes of the interim period covered in this Order, IGT shall remit its calculations of the blended rate to the Corporate Securities Division within three (3) business days upon validation of the win.

b. Upon timely election by the patron, IGT shall have thirty (30) days from the date of election to fund the periodic payments.

c. IGT may make the first payment upon the validation of the win irrespective of whether the patron has made a decision to elect a single cash payment. The initial payment shall not to be construed as a forced selection for the patron of the periodic payment method.

d. Solely in connection with matters involving the foregoing approval and conditions, IGT must execute within fifteen (15) calendar days herefrom an appropriate document which shall irrevocably and unconditionally revise, release, indemnify and forever discharge the State of Nevada, the Nevada Gaming Commission and the State Gaming Control Board, and their members, employees, agents and representatives, of and from any and all claims, actions, causes of actions, losses, damages, liabilities, costs, expenses, and suits of any nature whatsoever, in law or equity, including reasonable attorneys fees, arising from any act or omission of the Nevada Gaming Commission and the State Gaming Control Board, and their members, employees, agents and representatives.

e. Any failure of IGT to maintain full compliance at all times with each and every condition set forth hereinabove, or any failure of IGT to immediately notify the Chairman of the Board or his designee of any deficiencies, shall constitute an unsuitable method of operation and may subject IGT to the institution of appropriate disciplinary proceedings.

3. THAT, the Commission hereby expressly finds that the waivers hereby granted are consistent with the public policy set forth in NRS 463.0129.

ENTERED at Las Vegas, Nevada, this 19th day of November, 1998.